

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:

Chapter 11

W.R. GRACE & Co., et al.,

Case No. 01-01139 (JKF)
(Jointly Administered)

Debtors

FOURTH INTERIM APPLICATION OF CAPSTONE CORPORATE RECOVERY,
LLC, FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM MAY 1, 2004 THROUGH MAY 31, 2004)

Name of Applicant:	Capstone Corporate Recovery, LLC
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 8, 2004 (<u>nunc pro tunc</u> to February 4, 2004)
Period for which compensation and reimbursement is sought:	May 1, 2004 through May 31, 2004
Amount of Compensation sought as actual, reasonable and necessary (80% of \$32,665.00):	\$26,132.00
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	\$477.15
This is an: <u>X</u> interim _____ final application	

This is the Fourth Interim Application filed by Capstone Corporate Recovery, LLC. ("Capstone"). Capstone was retained instead of FTI Consulting, Inc. (a/k/a FTI Policano & Manzo) ("FTI") as financial advisors to the Official Committee of Unsecured Creditors, by order of this Court dated June 8, 2004, nunc pro tunc to February 4, 2004.

The total time expended for fee application preparation activities is approximately 38.0 hours and corresponding compensation requested is approximately \$7,998.00. The total time expended includes preparation of Capstone's first, second, and third fee applications. Additionally, the time spent on fee applications includes approximately 9.0 hours for preparation of a fee application for the period of February and March 2004 on behalf of FTI.

Disclosure for the current period is as follows:

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**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40
Totals First Quarterly	February 4, 2004 through March 31, 2004	\$231,297.50	\$5,751.07	\$185,038.00
June 12, 2004	April 1, 2004 through April 30, 2004	\$61,925.00	\$687.33	\$49,540.00
July 13, 2004	May 1, 2004 Through May 31, 2004	\$32,665.00	\$477.15	\$26,132.00

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**ATTACHMENT B
TO FEE APPLICATION**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Time Description by Task Code
4. Expense Detail

W.R. Grace & Co.**Capstone Corporate Recovery, LLC****Summary of Fees by Professional****For the Period 5/1/04 through 5/31/04**

Professional	Position	Billing Rate	Hours	Fees
E. Ordway	Member	\$495	4.60	\$2,277.00
S. Cunningham	Member	\$475	30.40	\$14,440.00
C. Troyer	Consultant	\$375	19.00	\$7,125.00
L. Hamilton	Consultant	\$335	9.80	\$3,283.00
T. Sell	Consultant	\$275	13.00	\$3,575.00
M. Hakoun	Research	\$150	5.50	\$825.00
N. Backer	Paraprofessional	\$75	15.20	\$1,140.00
For the Period 5/1/04 through 5/31/04			97.50	\$32,665.00

W.R. Grace & Co.
Capstone Corporate Recovery, LLC
Summary of Fees by Task Code by Professional
For the Period 5/1/04 through 5/31/04

Professional	Hours	Fees
04. Creditor Committee Matters		
E. Ordway	0.30	\$148.50
S. Cunningham	0.30	\$142.50
	0.60	\$291.00
07. Fee Applications & Invoices		
L. Hamilton	9.80	\$3,283.00
T. Sell	13.00	\$3,575.00
N. Backer	15.20	\$1,140.00
	38.00	\$7,998.00
08. Financial Analysis - Schedules & Statements		
E. Ordway	2.10	\$1,039.50
S. Cunningham	21.10	\$10,022.50
C. Troyer	13.50	\$5,062.50
	36.70	\$16,124.50
11. Financial Analysis - Other		
E. Ordway	1.90	\$940.50
S. Cunningham	3.50	\$1,662.50
C. Troyer	1.00	\$375.00
M. Hakoun	1.00	\$150.00
	7.40	\$3,128.00
21. Research		
M. Hakoun	4.50	\$675.00
	4.50	\$675.00
26. Meetings with Debtors		

Professional	Hours	Fees
S. Cunningham	4.00	\$1,900.00
C. Troyer	4.50	\$1,687.50
	8.50	\$3,587.50
28. Special Case Issues		
E. Ordway	0.30	\$148.50
S. Cunningham	1.50	\$712.50
	1.80	\$861.00
For the Period 5/1/04 through 5/31/04	97.50	\$32,665.00

W.R. Grace & Co.
Capstone Corporate Recovery, LLC
Detailed Time Description by Task Code
For the Period 5/1/04 through 5/31/04

Date	Professional	Hours	Detailed Time Description
04. Creditor Committee Matters			
5/27/2004	E. Ordway	0.30	Discussed proposal acquisition with Committee member.
5/28/2004	S. Cunningham	0.30	Updated Committee Chair on potential acquisition.
Subtotal		0.60	
07. Fee Applications & Invoices			
5/3/2004	T. Sell	3.00	Prepared fee applications on behalf on FTI.
5/3/2004	N. Backer	3.00	Prepared fee applications on behalf on FTI.
5/4/2004	T. Sell	3.00	Prepared Capstone February and March fee applications.
5/4/2004	L. Hamilton	3.20	Prepared February fee application.
5/5/2004	L. Hamilton	1.10	Prepared February and March fee applications for Capstone.
5/5/2004	N. Backer	2.00	Prepared fee application for April.
5/6/2004	N. Backer	1.00	Continued to prepare fee application for April.
5/6/2004	L. Hamilton	1.00	Prepared February and March fee applications for Capstone.
5/6/2004	T. Sell	3.00	Finalized Capstone fee application.
5/6/2004	T. Sell	3.00	Finalized FTI fee application.
5/7/2004	L. Hamilton	2.00	Prepared/edited fee applications for Capstone.
5/10/2004	N. Backer	1.00	Continued to prepare fee application.
5/11/2004	L. Hamilton	1.10	Prepared February and March fee applications for Capstone.
5/12/2004	N. Backer	1.50	Continued preparing fee application.
5/13/2004	N. Backer	0.70	Prepared expenses for inclusion in April fee application.
5/13/2004	L. Hamilton	1.40	Prepared February/March fee applications for Capstone.

Date	Professional	Hours	Detailed Time Description
5/27/2004	N. Backer	2.00	Continued preparing fee application.
5/27/2004	N. Backer	1.00	Prepared expenses for inclusion in April fee application.
5/28/2004	N. Backer	3.00	Continued preparing fee application.
5/28/2004	T. Sell	1.00	Prepared the reconciliation of the April fee application.
Subtotal		38.00	

08. Financial Analysis - Schedules & Statements

5/5/2004	S. Cunningham	2.50	Analyzed preliminary results of operation for first quarter FY 2004 versus prior year and plan.
5/6/2004	C. Troyer	4.50	Analyzed the discussion materials distributed by the Debtors' in advance of the conference call to discuss 1st quarter performance.
5/6/2004	E. Ordway	0.90	Read and analyzed Company's monthly financial data and prepared list of items for staff to further investigate.
5/7/2004	C. Troyer	2.50	Read and analyzed the Debtor's 1st quarter 10Q.
5/10/2004	S. Cunningham	2.50	Analyzed preliminary results of operation for first quarter FY 2004 versus prior year and plan.
5/11/2004	C. Troyer	6.50	Prepared schedules for inclusion in Committee report regarding 1st quarter performance.
5/14/2004	E. Ordway	0.60	Read and analyzed Company's 10Q.
5/14/2004	S. Cunningham	3.00	Analyzed results of 1st quarter performance versus plan and prior year.
5/20/2004	S. Cunningham	5.00	Prepared analysis of Q1 results versus plan and prior year.
5/20/2004	S. Cunningham	2.40	Analyzed Q1 financials.
5/21/2004	S. Cunningham	2.00	Analyzed Q1 financials.
5/21/2004	E. Ordway	0.60	Prepared/edited report to Committee regarding first quarter performance.
5/24/2004	S. Cunningham	1.50	Analyzed Q1 results of operations.
5/28/2004	S. Cunningham	2.20	Read and analyzed Q1 financials.
Subtotal		36.70	

11. Financial Analysis - Other

Date	Professional	Hours	Detailed Time Description
5/3/2004	C. Troyer	0.50	Prepared an information request for valuation information.
5/10/2004	M. Hakoun	1.00	Read and analyzed Company 10Q filing.
5/11/2004	C. Troyer	0.50	Read and analyzed materials distributed by the Debtors regarding an organizational restructuring.
5/12/2004	E. Ordway	0.90	Read and analyzed Debtor's restructuring proposal and prepared list of items for staff to investigate.
5/21/2004	E. Ordway	0.80	Read and analyzed documents relating to recusal order.
5/24/2004	S. Cunningham	2.00	Read and analyzed various responses and issues related to Judge Wolin recusal.
5/25/2004	E. Ordway	0.20	Reviewed/added to information request list provided to Blackstone.
5/26/2004	S. Cunningham	1.50	Prepared information request schedule in preparation meeting with Debtors' advisor, Blackstone, to review acquisition and liabilities subject to compromise data.
Subtotal		7.40	
21. Research			
5/3/2004	M. Hakoun	0.50	Gathered fee applications filed in the W.R. Grace Bankruptcy case.
5/19/2004	M. Hakoun	0.40	Gathered selected fee applications from U.S. Bankruptcy Court.
5/20/2004	M. Hakoun	0.80	Read and analyzed commentary surrounding Wolin's recusal, including Wolin's personal statement on recusal.
5/20/2004	M. Hakoun	0.40	Read and analyzed company presentation by CEO, "Operating Successfully While Managing Legacy Liabilities."
5/24/2004	M. Hakoun	1.20	Researched and analyzed developments in the asbestos arena with regards to Judge Wolin's recusal.
5/24/2004	M. Hakoun	1.20	Reviewed analyst and industry experts commentary on Wolin recusal.
Subtotal		4.50	
26. Meetings with Debtors			
5/11/2004	C. Troyer	1.00	Participated in a conference call with the Debtors' to discuss first quarter performance.
5/27/2004	C. Troyer	1.00	Prepared discussion materials for meeting with the Debtors' advisors.
5/27/2004	C. Troyer	2.50	Met with the Debtor's advisors.

Date	Professional	Hours	Detailed Time Description
5/27/2004	S. Cunningham	1.50	Prepared issue list for meeting with Company regarding plan issues/timing.
5/27/2004	S. Cunningham	2.50	Met with advisors to Debtors to discuss plan issues.
Subtotal		8.50	
28. Special Case Issues			
5/5/2004	S. Cunningham	1.00	Read and analyzed various updates regarding Asbestos legislation received from counsel and other sources.
5/10/2004	E. Ordway	0.30	Read information regarding update on Asbestos litigation provided by counsel.
5/14/2004	S. Cunningham	0.50	Read and analyzed update to Asbestos litigation.
Subtotal		1.80	
Total Hours		97.50	

W.R. Grace & Co.
Capstone Corporate Recovery, LLC
Expense Detail
For the Period 5/1/04 through 5/31/04

Expense Date	Professional	Amount
Copies		
5/31/2004	Copies - May (522 photocopies @ .15 ea)	\$78.30
5/31/2004	Copies - April (87 photocopies @ .15 ea.)	\$13.05
Subtotal - Copies		\$91.35
Mileage		
5/27/2004	S. Cunningham - Blackstone Meeting	\$11.25
Subtotal - Mileage		\$11.25
Parking/Tolls		
5/1/2004	E. Ordway - Parking 3/24	\$41.00
5/1/2004	E. Ordway - Parking 3/31	\$27.50
5/1/2004	E. Ordway - Tolls 3/31	\$6.00
5/1/2004	E. Ordway - Tolls 3/24	\$6.00
5/27/2004	S. Cunningham - Blackstone Meeting	\$32.00
Subtotal - Parking/Tolls		\$112.50
Telecom Charges - Saddle Brook office		
5/31/2004	Telephone	\$96.62
Subtotal - Telecom Charges - Saddle Brook office		\$96.62
Telephone Charges		
5/1/2004	E. Ordway - Verizon Airfone 4/1	\$18.00
5/11/2004	E. Ordway - Verizon 5/11/04	\$147.43
Subtotal - Telephone Charges		\$165.43
For the Period 5/1/04 through 5/31/04		\$477.15